GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5065
ANSWERED ON:25.04.2003
CONCURRENT AUDITORS FOR BANKS
P.D. ELANGOVAN

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Government have formulated any norms for the appointment of concurrent auditors for various nationalized banks;

(b) if so, the details thereof; and

(c) the number of concurrent auditors appointed for various nationalized banks as on date?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) The Reserve Bank of India (RBI) had issued guidelines relating to concurrentaudit to all scheduled commercial banks on 14th August, 1996. These guidelines include scope, area, coverage of concurrent audit and guidelines on appointment of concurrent auditors. As per extant guidelines, banks are given freedom to engage services of either their own staff or external auditors for the purpose of concurrent audit. In case the bank has engaged its own staff, they should be experienced, well trained, sufficiently senior and must be independent of the branch where concurrent audit is conducted. Banks may appoint an external audit firm for concurrent audit initially for one year and extended upto three years. Thereafter, an auditor could be shifted to another branch subject to satisfactory performance.

(c) Data reporting system of RBI does not generate information in the manner called for.